

New Medicare Endorsed Discount Cards



Senior Health Insurance
Information Program

Ask SHIIP

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Q: What drug benefit will I have this year as the result of the new Medicare law?

A: The Medicare Modernization Act will provide a voluntary drug benefit to people with Medicare starting in January of 2006. The Act also provides an interim Medicare endorsed discount card program. Starting in June 2004, and continuing until December 31, 2005, people with Medicare can voluntarily choose whether or not they wish to sign up for a discount card. These cards will be offered by private companies and will carry a Medicare endorsement. Here are some basics of how the cards will work.

Who is eligible? Anyone who has Medicare Part A or Part B is eligible, unless you have prescription coverage through Medicaid.

How do I enroll? Sign up for the voluntary cards begins May 1, 2004. You will need to fill

out an enrollment form from the discount card company. These forms will be mailed in. No one will be selling these discount cards door-to-door.

What about the discount cards I already have? You should keep any discount cards or prescription drug coverage you already have. The Medicare endorsed discount cards are a voluntary program. You may decide to sign up for a Medicare endorsed discount card and then choose which card to use, one you already have or the new one, depending on which gives you the best discount on the medication you are purchasing.

How many Medicare endorsed discount cards can I have? You may choose only one.

How much will it cost me? The companies cannot charge more than a \$30 annual enrollment fee. That means you will pay up to an additional \$30 in 2005 for the card. That is your total cost for the discount card. The discount card company will not be paying part of your drug costs. You will be responsible for 100% of the cost of your medications. However, it is expected that the card will provide you with a discount of 10 – 25%. The amount of the discount will

vary depending on the card you select, the medications you need, and the prices charged by the pharmacy where you shop.

Are there benefits for low-income people? Yes, if your annual income was less than \$12,123 for an individual or \$16,362 for a married couple in 2003, Medicare will offer a \$600 credit on the Medicare endorsed discount card you chose. This column will cover this benefit in great detail in the coming months.

You will probably begin to see advertising for the Medicare endorsed discount cards in April. Many companies have applied to offer the discount cards. Specific information should be available in April 2004. As questions arise call your local SHIIP, the SHIIP hotline at 1-800-452-4800, or 1-800-Medicare.

Sources: www.medicare.gov,
www.cms.gov (Centers for Medicare and Medicaid Services),
www.healthassistancepartnership.org

Address your questions to:

Ask SHIIP
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Or www.state.in.us/idoi/shiip
1-800-452-4800

SHIIP is a free, unbiased counseling program provided by the Indiana State Department of Insurance. For assistance, call your local SHIIP site to make an appointment or call the state office at 1-800-452-4800 to obtain a list of local SHIIP sites.